



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
One Ashburton Place, Room 805
Boston, MA 02108*

DEVAL PATRICK
Governor

TIM MURRAY
Lieutenant Governor

LESLIE KIRWAN
Board Chair

JON M. KINGSDALE
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

November 16, 2007

9:00 a.m. – 12:00 p.m.

One Ashburton Place

Boston, MA 02108

21st Floor Conference Room

Attendees: Leslie Kirwan, Jon Kingsdale, Rick Lord, Celia Wcislo, Dolores Mitchell, Nancy Turnbull, Jonathan Gruber, Louis Malzone, Tom Dehner, Ian Duncan, and Nonnie Burns.

- I. Sec. Kirwan spoke briefly before the board meeting about the November 15th deadline to enroll in health insurance and not face a penalty. She reminded those in attendance that there were still opportunities to enroll for December 1st. A person can enroll in Commonwealth Care up until Nov. 20, Commonwealth Choice up until Nov. 23, or enroll with a private insurance carrier. Sec. Kirwan thanked Connector staff for their hard work outreaching around the state. The minutes of the October meeting will be approved at the December 4th meeting.
- II. **CommChoice Bid Specifications:** Bob Carey reviewed with the board the Commonwealth Choice renewal options for plan year 2009. Bob Carey gave a timeline of the bid process to the board. The board will vote in late February for a July 1 effective date. Mr. Carey reminded the board that the Connector only has six months of experience with Commonwealth Choice and that we have yet to roll out the contributory plan. The renewal options include increasing cost sharing for the gold level in order to better align with what is typically offered in the small group market, establishing a premium increase limit that would encourage plans that come in over to use some cost savings ideas to decrease trend, reducing silver and bronze level plans along with the gold level, allowing carriers to offer only one bronze level plan and one silver level plan using a select and broad network, and encouraging plans to exclude tier one drugs from any separate prescription deductible. Mr. Gruber reminded the board that if they don't adjust the Bronze value they will have to adjust the affordability schedule and exempt more people from the mandate. The board was especially enthusiastic about the idea to allow carriers to offer a broad and select network plan in the different coverage tiers. Mr. Malzone expressed his fear that this would further increase choice and therefore confuse the shopper. The board had a brief discussion on the influence of their decisions on the existing market. Mr. Duncan cautioned the board against doing anything that would complicate the bid process. The Connector also plans to eliminate the use of SIC codes in setting non group rates.
- III. **Contributory Plan:** Kevin Counihan gave the board an overview of two possible structures of the contributory plan. The first was the Status Quo or "Employer's Plan" where an employer selects a plan of health benefits, a single carrier, and the percentage of

the premium they contribute. The second structure was the “Employer Plan plus Choice.” The employer plan plus choice was modeled after the Connecticut Business & Industry Association (CBIA) “Health Connections” product that was presented to the board in October 2006. In the employer plan plus choice the employer selects a plan design from one of the Connector’s coverage tiers, a health plan, the percentage of premium they would contribute, and then gives the employee the choice of whether they want to stay with the employer’s plan or choose another plan within the same coverage tier. The employer plan plus choice combines composite and individual rating. Some board members were concerned that the employer plan plus choice allowed the employer the ability to view the cost of the plan associated with each employee.

Mr. Counihan also shared with the board the results of some market research he conducted with employers, employees, and brokers. The majority of employers and employees preferred the employer plan plus choice to the status quo. 65% of employers felt the employer plan plus choice would enhance rate service and rate competition and 100% of employees felt that it was acceptable for employees of different ages to pay more/less based on their plan choices. 92% of brokers believed the small group market would prefer the employer plan plus choice to existing products. The research also showed that clear communication and administrative support are core requirements for employers, employees, and brokers. Ms. Turnbull requested that the Connector evaluate what effect this contributory plan structure will have on the market. The board supported the Connector staff moving forward on the development of the employer plan plus choice and requested that staff also respond to the issues raised during the discussion.

- IV. **Executive Director’s Report:** Mr. Kingsdale explained his desire to focus the board meetings more on policy issues rather than administrative tasks. The Connector increased advertising and outreach to help notify people of the Nov. 15th deadline. On November 14 there were 13,000 hits on www.mahealthconnector.org and the Commonwealth Choice program received 1,000 applications just yesterday. There have been nine Connector “Connect to Health” events around the state and there are several more in the next three weeks. The Connector website also received one of InfoWorld’s top 100 awards for the “most innovative corporate IT solutions for 2007.” Mr. Kingsdale and Sec. Kirwan thanked the staff at the Connector for their hard work at these events and also thanked the Department of Revenue for their work on health reform. The board finished the meeting by viewing a clip from the WCVB evening news on the Connect to Health event held in Somerville on November 13th.

There being no further business before the board, the meeting was adjourned.

Respectfully Submitted,
Kerry Connolly